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**RHODE ISLAND DEPARTMENT OF HUMAN SERVICES MANUAL**

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**GENERAL PROVISIONS**

**FAILURE TO REPORT INCOME / RESOURCES**

**SECTION 0112**

**PROVISION AND INTERPRETATION OF LAW**

**0112.05**

REV:12/2004

This section lists the General Laws of Rhode Island that primarily relate to Welfare Fraud and which provide the legal basis for the following policy.—It should be noted that the laws change from year to year and the interpretation and enforcement of such laws are the obligation of the prosecution.

Such ~~Laws~~ laws include but are not limited to:

~~(40-6-15)~~ (40-5.1-38) of the General Laws of Rhode Island, as amended;

~~(40-6-11)~~ (40-6-15) of the General Laws of Rhode Island, as amended;

~~(40-6-22)~~ (40-6-16) of the General Laws of Rhode Island, as amended;

~~(40-6-23)~~ (40-6-11) of the General Laws of Rhode Island, as amended;

~~and/or,~~

~~(40-8-9)~~

~~(40-6-22)~~ (40-6-22) of the General Laws of Rhode Island, as amended;

~~(40-6-23)~~ (40-6-23) of the General Laws of Rhode Island, as amended;

~~(40-8.2)~~ (40-8.2) of the General Laws of Rhode Island, as amended;

~~and/or,~~

~~(40-8-9)~~ (40-8-9) of the General Laws of Rhode Island, as amended.

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##### **0112.10**

##### **RECEIPT OF FRAUD COMPLAINTS FROM THE PUBLIC**

REV:12/2004

When a complaint of possible fraud is received which concerns a recipient of AFDC, FS, GPA or MA, from anyone in the public sector, the agency representative from either the Information and Referral Unit or a District Office, who is the recipient of such information, tries to elicit both case identifying information and the specific details of the case from the informant. recipient of FIP, FS, GPA, Child Care Assistance, MA, or an allegation of fraud by a medical provider from anyone in the public sector, the agency representative taking the call or complaint tries to elicit both case-identifying information and the specific details of the case from the informant.

Complaints concerning fraud by a medical provider are referred to the Center for Finance and Administration within the Division of Health Care Quality, Financing and Purchasing. The agency representative from the Division of Health Care Quality, Financing and Purchasing sends a memo containing the correct identifying information to:

Medicaid Fraud Control Unit  
Office of the Attorney General  
150 South Main Street  
Providence, RI 02903

The informant is assured that s/he is not required to identify herself/himself but may remain anonymous. If the person chooses herself/himself but may remain anonymous. If the person chooses to identify herself/himself, the person is assured that such information will be held in confidence. The recipient of the information expresses the agency's appreciation for the information.

At no time during the telephone or face-to-face conversation does the agency representative make any acknowledgement that s/he the agency representative make any acknowledgment that s/he recognizes the case name or makes indication that the person is a recipient of any form of assistance. Confidentiality must be maintained throughout the interview.

In order to correctly identify the case, the present name and address of the recipient are necessary. If possible, the former and/or maiden name, and any alias used, are obtained. Once the above information is received, the agency representative obtains the specific allegation against the recipient. Such allegations may include that the recipient: is working; has a friend or relative living in the home; has a spouse living in the home; has the father or mother of the child(ren) living in the home, and/

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~~or is supporting and such support is not being reported; and/or, has other unreported resources.~~

address of the recipient are necessary. If possible, the former and/or maiden name, and any alias used, or any other identifying information are obtained. Once the above information is received, the agency representative obtains the specific allegation against the recipient. Such allegations may include that the recipient: is working; has a friend or relative living in the home; has a spouse living in the home; has the father or mother of the child(ren) living in the home, and/ or is supporting and such support is not being reported; and/or, has other unreported resources.

When one or more of the allegations listed below are made, the agency representative tries to elicit the following necessary information.

1. If the informant alleges that the person is working

The name and address of the alleged place of employment, and the days and hours the person is supposedly working, are needed.

2. If the informant alleges that a friend or relative is living in the home

The name of the person, what relationship, if any, the person supposedly has to the recipient, and if such person is contributing to the household expenses, is obtained if possible.

3. If the allegation is that a spouse is living in the home

By what name is the recipient known in the community  
~~and is this the same name as the supposed spouse? If not, what is the name of the spouse? How often is the spouse seen at the home?~~

and is this the same name as the supposed spouse? If not, what is the name of the spouse? How often is the spouse seen at the home?

4. If the informant alleges that the mother or father of the child(ren) is living in the home

The name of the alleged parent is necessary information, as well as how often s/he is seen at the home, and by what name the child(ren) refer to her/him. It is also important to know if the alleged parent is working and supporting the family.

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5. When the receipt of other income or resources is alleged

Specific information regarding the type of alleged income or resource, the date it was supposedly obtained or sold, and its approximate value.

6. When the informant alleges misuse of an MA identification card

It should be determined if the alleged misuse is by a client or by someone else using a client's identification card. If the allegation is one of excessive use by a client, the name of the client and the name of any providers including pharmacies and physicians should be elicited, if possible. If the misuse is by someone other than a client, the identification of such person and the relationship to the client, if any, should be determined.

If the informant queries the agency representative about the possible results of the allegations, the agency representative may relate general policy information but may not divulge any specific case data.

~~When the fraud allegation is obtained by the Information and Referral Unit, the procedure listed in Section 0112.15.05 is used to transfer the information either to the Medical Services Unit at CO or to correct Regional Manager.~~

~~When the information is received either by a Regional Manager, from the Information and Referral Unit, or directly in one of the local district offices, the response procedure listed in Section 0112.15.10 is followed.~~

When the information is received either by a Regional Manager or directly in one of the local district offices, the procedures for response listed in Section 0112.10.10 are followed.

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##### **Department's Action on Applicant Cases**

**0112.10.05**

REV:12/2004

Agency representatives who note cases which exhibit an indication of questionable eligibility under the any of the indicators listed below must refer these cases to the Front-End Detection (FRED) Unit.

The agency representative must inform the applicant that the information in the application is being verified and that the eligibility determination will occur within thirty (30) days. Following receipt of the referral FRED investigators will make an unannounced home visit. The investigators will identify themselves as DHS representatives and will possess a DHS photo I.D. card to offer for identification purposes.

In general, agency representatives should be aware of and note discrepancies, inconsistencies, and contradictions in written and verbal statements made by the applicant. A referral to the FRED Unit MUST be made when one or more of the specific indicators below are present. Cases should be referred to the FRED Unit if circumstances not specified in the list of indicators substantiate such referral.

FRED referral indicators are:

- \* Fixed expenses (rent, utilities, etc.) exceed income and no reasonable explanation is given;
- \* Previously unreported changes in the household and/or false statements given;
- \* Previously unreported employment/earnings;
- \* Applicant unable to show any means of support for the last three (3) months prior to application for assistance;
- \* Moved to Rhode Island in the past three (3) months (except for refugees);
- \* Assets appear greater than those reported; or
- \* Does not appear that child(ren) is with applicant parent.
- \* Employment needs to be verified.

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- \* Child care information is inconsistent and/or contradictory, and needs to be verified.

The FRED Unit must return its findings to the supervisor no later than ten (10) business days from the date the referral was forwarded. In order for the eligibility worker to determine eligibility properly and/or the correct assistance payment, the FRED Unit must include an explanation of its findings and attach appropriate supporting documentation to the response.

FRED investigators will present their findings at any administrative hearing or court appearance resulting from a denial or termination of assistance which occurred pursuant to a pre-eligibility investigation.

If the FRED Unit does not respond within the ten (10) business day time frame, the eligibility worker will determine the applicant's (in)eligibility based on the information contained in the case record.

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**Department's Action on Active Cases**

**0112.10.10**

REV:12/2004

~~If a complaint of alleged fraud is sent to a Regional Manager by the Information and Referral Unit and is then relayed to the correct district office, or the complaint is received directly by district office staff, the following procedural action is initiated.~~

~~Verification of Identifying Information~~

~~Any identifying information received must be verified through either INRHODES, Master File or the CPA Card File, to ensure that the case is either presently active or was active during the period of the alleged fraudulent occurrence.~~

~~Verification of the Allegation~~

~~For all programs, unless the information is already known and is being taken into account, the agency representative must contact the recipient within ten (10) days of receipt of the allegation to determine the accuracy of the information.~~

~~If the allegation is one of alleged fraud by a provider, the agency representative sends a memo containing the correct identifying information to:~~

~~Medicaid Fraud Control Unit  
Office of the Attorney General  
72 Pine Street  
Providence, RI.~~

~~If the Recipient DOES NOT DISPUTE the Accuracy of the Information The following CASE ACTION is taken, according to the type of assistance being expended:~~

~~For All Programs, if the change in circumstance caused an overpayment, the procedures outlined in Section 0112.20, Failure to Report Resources, are followed.~~

~~For AFDC cases~~

~~The eligibility technician must first determine continuing case eligibility. If no characteristic exists due to an unreported change in the filing unit, the case is closed following the procedure outlined in Section 0226.25, Changes in Circumstances. If it is determined that an overpayment has been made due to the change in case status or income, the case is electronically~~

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~~referred to the Collection, Claims and Recoveries Unit (CCRU) by use of the INRHODES System. (See the INRHODES procedures.)~~

##### ~~For Food Stamp cases~~

~~The eligibility technician must update the Food Stamp file by use of the INRHODES System. If there has been an unreported change in the household composition, the coupon allotment is recalculated after factoring in the additional household member and his/her income. The case is closed if eligibility no longer exists due to excess income or resources. The closing is completed according to the procedure listed in Section 1018.10, Notice of Adverse Action. If it is determined that an overpayment was issued, the case is electronically referred to the Collection, Claims and Recoveries Unit by use of the INRHODES System.~~

##### ~~For GPA cases~~

~~The GPA caseworker must determine continuing eligibility. If the case is no longer eligible, the case is closed with proper notice, according to Section 0626, Determination of Continuing Eligibility. If the unreported change in circumstance causes an overpayment, an AP-154 is completed by the GPA caseworker or the GPA casework supervisor, and sent to the Fraud Investigation and Prosecution Unit, according to the procedure outlined in Section 0112.20, Failure to Report Resources.~~

##### ~~For MA cases~~

~~The agency representative must determine if, the lack of characteristic or excess income or resource information, renders the case ineligible. If the case is no longer eligible, proper notice of closing must be given, according to Section 301.5, Determination of Continuing Eligibility. An AP-154 is completed and sent to the Fraud Investigation and Prosecution Unit. That Unit determines if there were any expenditures in the case by the Division of Medical Services while the case was actually ineligible, and if there were, whether the case is suitable for prosecution.~~

##### ~~If the Recipient DISPUTES the Validity of the Information~~

~~S/He is asked to sign a DHS-25, Authorization to Obtain or to Release Confidential Information. The correct inquiry form, such as, an AP-50B for employment or wage verification, is attached to and mailed with the DHS-25.~~



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When a complaint of alleged fraud is forwarded to or received directly by district office staff, the following procedural actions are taken.

##### Verification of Identifying Information

Any identifying information received must be verified through INRHODES to ensure that the case is either presently active or was active during the period of the alleged fraudulent occurrence.

##### Verification of the Allegation

The agency representative must contact the recipient within ten (10) days of receipt of the allegation to determine the accuracy of the information for all programs, unless the information is already known and acted upon.

If the recipient DOES NOT DISPUTE the accuracy of the allegation

The following action is taken, according to the type of assistance:

##### FOR FIP CASES

The eligibility technician must first determine continuing eligibility by updating the INRHODES record. If eligibility no longer exists due to an unreported change in the filing unit's circumstances, the case is closed following the procedure outlined in Section 0832.25, Changes in Circumstances. If it is determined that an overpayment has been made due to the change in family composition, income, or resources, the case is electronically referred to the CCR/Fraud Unit) by use of the INRHODES System. (See FIP policy Section 0830.10 et seq and INRHODES procedures.)

##### FOR FOOD STAMP CASES

The eligibility technician must update the INRHODES Food Stamp record; the case is closed if eligibility no longer exists. The closing is completed according to the procedures outlined in Section 1018.10, Notice of Adverse Action. If it is determined that an overissuance exists,

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the case is electronically referred to the CCR/Fraud Unit by use of the INRHODES System. (See Food Stamp policy manual Section 1022.10.15 et seq.)

##### FOR GPA CASES

The GPA caseworker must determine continuing eligibility. If the case is no longer eligible, the case is closed with proper notice, according to Section 0625, Payment Changes. If the unreported change in circumstance causes an overpayment, an AP-154 is completed by the GPA caseworker or the GPA casework supervisor, and sent to the CCR/Fraud Unit, according to procedures outlined in Section 0112.15, Failure to Report Income or Resources.

##### FOR MA CASES

The agency representative must determine if the lack of characteristic or excess income or resource information, renders the case ineligible. If the case is no longer eligible, proper notice of closing must be given, according to Section 0302.20. An AP-154 is completed and sent to the CCR/Fraud Unit. That unit determines if there were any expenditures in the case by the Division of Health Care Quality, Financing and Purchasing while the case was actually ineligible, and if there were, whether the case is suitable for prosecution.

##### FOR CCAP CASES

The agency representative must determine continuing eligibility for the family with the recipient, or provider, as appropriate. If the family is no longer eligible, the case is closed with proper notice in accordance with Section 0850.02.09(b). If the agency representative determines that a provider is not qualified to provide authorized CCAP services, the provider's approved status is discontinued. The Department terminates payment for any CCAP services provided by the provider, access to the DHS automated enrollment system is discontinued, and any health care assistance is terminated according to Section 0850.03.06 (2).

If the recipient DISPUTES the validity of the allegation

S/He is asked to sign a DHS-25 form, Authorization to Obtain

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or to Release Confidential Information. The correct inquiry form, such as, an AP-50B for employment or wage verification, is attached to and mailed with the DHS-25.

If the recipient refuses to sign the DHS-25 or a statement negating the allegations, the case must be referred to the casework supervisor for review of continuing eligibility. The supervisor may, pursuant to RIGL 40-6-22 and RIGL 40-6-23, request wage information from an employer and/or a financial institution without the consent of the individual.

If the case is subsequently found ineligible due to failure to comply with agency requirements regarding the assignment of rights or cooperation in providing information concerning eligibility, the proper closing notices are sent and the case is referred either to the Fraud Investigation and Prosecution Unit or the Collection Claims and Recovery Unit. The case is closed, according to the correct program procedure.

denying the allegations, the case must be referred to the appropriate supervisor for review of continuing eligibility. The supervisor may refer the case to the FRED Unit, or, pursuant to RIGL 40-6-22 and RIGL 40-6-23, request wage information from an employer and/or a financial institution without the consent of the individual.

If the case is subsequently found ineligible due to failure to comply with agency requirements regarding the assignment of rights or cooperation in providing information concerning eligibility, the proper closing notices are sent and the case is referred to the CCR/Fraud Unit. The case is closed, according to the applicable program procedure.

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**FAILURE TO REPORT INCOME / RESOURCES**

**0112.15**

**FAILURE TO REPORT INCOME OR RESOURCES**

REV:12/2004

~~The time limitation for reporting changes in Income and/or Resources is dependent upon the type of program in which the individual participates. When a recipient fails to report, within the program specific time limit, that s/he:~~

~~Is receiving or had received income;~~

~~Received an income in an increased amount;~~

~~Is receiving or has received direct payments from an absent parent, prior to an appearance at RI. Family Court;~~

~~Did not return a direct child support payment for repayment to the Agency; and/or,~~

~~Received resources, including any property, stocks, bonds or other assets;~~

~~the case is referred to either the Collection, Claims and Recovery Unit or to the Fraud Investigation and Prosecution Unit, which are both located at 110 Eddy Street, Providence, RI 02901 or to the Bureau of Family Support at 77 Dorrance Street, Providence, RI 02903, depending upon the complaint.~~

The time limits for reporting changes in household composition, income, resources, or other factors is dependent upon the program from which the individual receives assistance. When a recipient fails to report, within the program-specific time limit, that s/he:

Began receiving or had received income;

Received income in an increased amount; and/or

Acquired resources, including any property, stocks, bonds, or other assets;

the case is referred to the CCR/Fraud Unit or to the Department of Administration, Division of Taxation - Child Support Enforcement, depending upon the complaint.

For a GPA or an MA Case Not Receiving Food Stamps

~~The case is referred to the Fraud Investigation and Prosecution Unit for legal review and determination of fraud.~~

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~~The referral is made by completing an AP-154 in duplicate and transmitting it within 10 days, with xerox copies of all C-1s, DHS-2s, AP-1As, MA-1s, and DHS-8s, and/or any other pertinent documents, including the DHS-25s, (Authorization to Obtain or to Release Confidential Information.) The record(s) is retained in the district office.~~

~~For a GPA or an MA Case Receiving Food Stamps~~

~~The case is referred to the Collection, Claims and Recovery Unit by completing an AP-154 in duplicate and~~  
~~The case is referred to the CCR/Fraud Unit for legal review and determination of alleged fraud.~~

~~The GPA or MA referral is made by completing an AP-154 in duplicate and transmitting it within 10 days, with copies of relevant DHS-2s, and/or any other pertinent documents, including the DHS-25s, (Authorization to Obtain or to Release Confidential Information.) The record(s) is retained in the district office. For Food Stamp cases, see Section 1022 pertaining to claim establishment and procedures for referral to CCR/Fraud.~~

~~For a FIP and/or a Food Stamp Case~~

~~The case is referred to the CCR/Fraud Unit. For FIP referral procedures, see Section 0830.10, Recovery of Overpayments. For Food Stamp cases, see Section 1022, which pertains to establishing claims and procedures for referral to CCR/Fraud.~~

~~Referral to the Department of Administration, Division of Taxation - Child Support Enforcement~~

~~When an allegation is received that an absent parent is living in the home or paying child support directly to the caretaker parent, a referral to the Department of Administration, Division~~

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~~transmitting it within 10 days. The same documents as listed above are included with the referral. The record(s) is retained in the district office. For Food Stamp cases, see Section 1022, which pertains to establishing claims and Section 1024 for referral procedures to CCRU.~~

~~For an AFDC and/or a Food Stamp Case~~

~~The case is referred to the Collection, Claims and Recovery Unit. For AFDC referral procedure see Section 0224.10, Recovery of Overpayments. For Food Stamp cases, see Section 1022, which pertains to establishing claims and Section 1024 for referral procedures to CCRU.~~

~~Referral to the Bureau of Family Support~~

~~When an allegation is received that an absent parent is living in the home or paying child support directly to the caretaker parent, a referral to the Bureau of Family Support must be made in order for this information to be available for presentation to the court, as appropriate. See Section 0700 for information regarding BFS.~~

~~Referral to the Collection, Claims and Recovery Unit or the FRAUD Unit, prior to the installation of the INRHODES System~~

~~The referral is made by completing either an AP-154 for AFDC or an RIFS-154 for Food Stamps in duplicate and transmitting it within 10 days, with xerox copies of all C-1s, DHS-2s, AP-1As, MA-1s, and DHS-8s, and/or any other pertinent documents, including the DHS-25s, (Authorization to Obtain or to Release Confidential Information.) The record(s) is retained in the district office.~~

~~Referral to CCRU or the Fraud Unit after the installation of the of the INRHODES System~~

~~The referral to CCRU is made electronically through Select Functions. (See the INRHODES Procedures Manual.) However, in order to provide evidence, the forms and all other pertinent documents must be transmitted manually, as necessary.~~

of Taxation - Child Support Enforcement must be made in order for this information to be available for presentation to the court, as appropriate. See Section 0700 for information regarding Child Support Enforcement policy.

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### **FAILURE TO REPORT INCOME / RESOURCES**

#### **0112.20**

#### **RESPONSIBILITIES OF THE CCR/FRAUD UNIT**

REV:12/2004

~~Except for those cases involving the return of duplicate AFDC checks (See Section 0112.20), the Collection, Claims and Recovery Unit is responsible to evaluate all AFDC cases of alleged overpayments.~~

~~AFDC cases with overpayments less than \$500~~

~~If the CCRU determines that the AFDC overpayment is less than \$500 dollars, the case is electronically referred to the correct district office for recoupment approval. (See Section 0224.10, Recovery of Overpayments and the INRHODES Procedures Manual.)~~

~~Combination AFDC/FS cases with overpayments less than \$500~~

~~If the case is a combination of AFDC and Food Stamps, and a Food Stamp overpayment was made in an amount more than \$35 but less than \$500 dollars and such overpayment has been determined an inadvertent household error, the case is electronically referred by the CCRU to the correct district office for recoupment approval.~~

~~The CCRU refers all claims which appear to meet the definition of intentional program violation (IPV), as described in Section 1022.15, to the Attorney General's Welfare Fraud Unit.~~

~~AFDC cases with overpayments in excess of \$500~~

~~When the CCRU determines that a net AFDC overpayment of \$500 or more was made, the case is referred to the Fraud, Investigation and Prosecution Unit (FIPU).~~

~~Food Stamp cases with undetermined overissuance or overissuances exceeding \$500~~

~~If the CCRU cannot determine the amount of overissuance or determines that the overissuance exceeds \$500, the case is referred to the Attorney General's Welfare Fraud Unit.~~

~~CCRU unable to determine amount of overpayment~~

~~If, from the information received from the eligibility technician, the CCRU cannot determine the correct amount of the AFDC overpayment, the CCRU refers the case to the Fraud, Investigation and Prosecution Unit.~~

Upon receipt of an electronic referral of an overpayment of benefits, the CCR/Fraud Unit representative determines whether

the referral is due to agency error, household error, or alleged fraud. As appropriate, prior to any investigation, the Unit verifies that the benefit was used. The amount of the claim is calculated based on the referral.

If the claim warrants further review and investigation, the case is routed to the Fraud Manager. Upon receipt of the referral and obtaining other evidence, the Fraud Manager assigns the case for investigation.

Upon completion of the investigation, from the facts presented and/or obtained, a decision is made, based on the particular program rules, whether to reclassify the claim, begin recovery, recommend the case for disqualification, or refer the case for prosecution through the Attorney General's Office.

The CCR/Fraud Unit must initiate recovery regardless of the overpayment amount on active cases. Every effort must be made to recover any overpayment amount in cases of court-determined fraud. The agency must take all reasonable steps necessary to promptly correct any overpayment.

Prompt recovery of an overpayment means the agency representative must initiate action by the end of the quarter following the quarter in which the overpayment is first identified to recover the overpayment from an active recipient.

In closed cases, the CCR/Fraud must initiate action to locate a former recipient and/or recover the overpayment from him/her.

Collection action may be postponed on any claim where referral for possible prosecution is being made because collection action will prejudice the case.



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##### **Reporting Requirements**

**0112.25.15**

REV:12/2004

~~The Fraud Investigation and Prosecution Unit keeps a record of all referrals and decisions for the purpose of review to ensure that the methods used and the decisions made are in conformity with the criteria for such action.~~

~~A report of referrals and decisions is made to the appropriate program Administrator by the 10th of each month, (Monthly Report.)~~

~~The decision made in relation to the fraud referral (AP 154) is entered in the appropriate section on the second copy of the form and returned to the appropriate chief casework supervisor of the referring office for filing in the case record.~~

~~The CCR/Fraud Unit keeps a record of all claims for the purpose of review to ensure that the methods used and the decisions made are in conformity with the criteria for such action.~~

~~All claim activity is processed through INRHODES. Reports are distributed either monthly or quarterly to the Financial Office and the CCR/Fraud Unit. These reports are used to identify claims paid (paid in full), claims billed (claim that is delinquent and is being billed monthly for payment) and claims denied.~~

~~A "denied claim" is a FIP or FS claim has not been established because there is nothing to substantiate the debt. A denied claim can also be a claim established in error, and is later denied.~~

~~Claim reconciliation is the process of randomly selecting several claims from the monthly or quarterly claim activity report and verifying the payments in the HIST panel through INRHODES. The Financial Office currently conducts this for accounting and audit purposes for FS and FIP claim accuracy.~~

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#### **FAILURE TO REPORT INCOME / RESOURCES**

##### **0112.15.05                      Receipt of Duplicate Benefits**

REV:06/1990

##### **Issuance of Duplicate AFDC Checks**

~~When an AFDC recipient reports that a check is lost, stolen or missing, and such check is replaced and later returned to the RI General Treasurer's Office as a cashed check, the Treasurers Office notifies the E&SS Business Office who in turns notifies the eligibility technician. If the client maintains that s/he did not cash or receive money from the check, s/he signs the General Treasurer's Forged Check Affidavit in duplicate. Both copies are sent to the E&SS Business Office who forwards them to the General Treasurer's Office for further action.~~

~~If the recipient acknowledges having cashed the check or received money from it, the Forged Check Affidavit is not completed. Instead, the eligibility technician must apply the policy set forth in Section 0224 to recover the overpayment. In addition, the case must be referred to the Investigation Unit, regardless of the amount of the overpayment, to determine if criminal prosecution is warranted. If the eligibility technician has initiated recovery, the Investigation Unit must be so informed in the referral.~~

##### **Issuance of Duplicate GPA Checks**

~~Whenever a check is known or presumed to be destroyed, lost or stolen, it is replaced provided the recipient has reported the loss as detailed in Section 0622.25 and cooperates with the following procedure.~~

~~The recipient is required to sign an affidavit (AP-55) which is completed in triplicate and witnessed by the caseworker, certifying that the recipient did not sign and/or cash the check or receive any of the proceeds from it. The recipient further agrees to return the check if found. The caseworker assists the recipient by obtaining from the fiscal clerk the check number and date of issuance, both of which are required on the AP-55. The original and two copies are transmitted to the fiscal clerk, who later forward a copy to the postal or police authorities, as appropriate, in the event the check is returned cashed. The fiscal clerk then issues a replacement check to the recipient.~~

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#### FAILURE TO REPORT INCOME / RESOURCES      SECTION 0112

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If the missing check is later found to have been cashed, in other words, returned to the city or town hall as a cashed check, the city/town hall furnishes the caseworker with a photostatic copy of the canceled check. (Generally, two or three months will elapse between the issuance of the check reported lost and receipt of a copy of it by the caseworker.) If the recipient maintains that s/he did not cash or receive money from the check, s/he signs the affidavit in duplicate so stating, and it is witnessed by the caseworker. The Rhode Island General Treasurer's Forged Check Affidavit may be adapted for this purpose by substituting "city (or town) of \_\_\_\_\_" for "General Treasurer." Both copies are returned to the fiscal clerk for further action.

If the recipient acknowledges having cashed the check or received money from it, then the Forged Check Affidavit is not completed. Instead, the case must be referred to the Investigation Unit for a determination of the means of recovering the duplicate payment.

#### Request for Replacement of Food Stamp ATP Cards

Upon receiving a request for replacement of an ATP reported as stolen or destroyed, the agency representative determines, to the maximum extent practical, the legitimacy of the request for replacement of the stolen or destroyed ATP (through such means as determining whether the original ATP has been transacted, and, if so, whether the signature on the original ATP matches that on the request for a replacement).

In cases in which an ATP replacement is requested, but documentation exists to substantiate that the request for replacement is fraudulent, replacement of the ATP is denied or delayed. However, in that event, the household must be informed of its right to a fair hearing to contest the denial or delay of the replacement of the ATP. The denial or delay of the replacement ATP remains in effect pending the hearing decision. The fair hearing may be combined with a fraud hearing. To deny or delay a replacement, the agency must have documentation substantiating fraud, such as a match between the signature on the original ATP that had been transacted and the signature on the replacement request (RIFS 55). Fraud could also be indicated where the issuing agent has noted the participant's correct food stamp identification number (unless the household reports that its ID was stolen) on an original ATP that has been transacted.

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~~See Section 1036.40, When Request for Replacement is~~  
~~Fraudulent.~~

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#### FAILURE TO REPORT INCOME / RESOURCES      SECTION 0112

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#### RESPONSIBILITIES OF THE FRAUD UNIT      0112.25

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REV:06/1990

##### Receipt of a Complaint or Referral

Upon receipt of a complaint of alleged fraud from someone in the public sector, the Fraud Unit investigator follows the procedure outlined in Section 0112.15, Receipt of Fraud Complaints from the Public. The investigator then contacts the agency representative who manages the case, to determine, if the information received is already known to the agency and the present disposition of the case. For example, an allegation is received that a recipient is working. Upon contacting the agency representative, the investigator finds that this information is already known and the wages are included in the computation of the payment. If the agency representative is unaware of such information, s/he follows the procedure in Section 0112.15.10, Response by District Office Staff.

When the CCRU determines that a net AFDC overpayment of \$500 or more was made, the case is referred to the Fraud, Investigation and Prosecution Unit (FIPU). The CCRU is responsible to forward all pertinent information, including the AP 154, from the INRHODES system, to the Fraud, Investigation and Prosecution Unit.

Upon receipt of any referral, whether from the CCRU, or a GPA, MA or AFDC agency representative, the Chief Field Investigator will review all data received and make a determination of the suitability for referral to the Attorney General's Welfare Fraud Unit.

It is the responsibility of the Attorney General's Welfare Fraud Unit to determine if sufficient evidence exists for court referral. If court referral is not recommended by the Attorney General's Fraud Unit, the case is returned to the Chief Field Investigator who then returns it to either the GPA or MA agency representative or the CCRU for the institution of recovery proceedings. The AP 154 is returned to the referring agency representative with the reason for the decision. For AFDC, see Section 0224.20.05, Overpayments Over \$500.

When an AFDC case is referred to the CCRU, which is subsequently unable to determine the amount of the overpayment, the case material and all pertinent documents, including the AP 154, are sent to the Fraud, Investigation and Prosecution Unit in order to obtain the information needed to determine the amount of the overpayment.

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~~The Chief Field Investigator is responsible to:~~

- ~~1.     Review the material received and determine whether the referral is relevant and accurate;  
       If the referral is relevant, the total amount of assistance received, including medical, is determined.~~
- ~~2.     Determine whether or not the facts presented warrant one of the following,~~

~~\*     Plan for prosecution through Superior or District Court, or~~

~~This decision will be made in those cases where the facts indicate that the person may be guilty of fraud. (see 0112.30.05)~~

~~\*     Accept repayment.~~

~~This decision will be made when criminal action is not indicated.~~

- ~~3.     Follow the Food Stamp disqualification policy for all cases where repayment is made.~~

~~See Section 0112.20.05 for AFDC and FS repayment procedures through the CCRU and the INRHODES System and Section 0112.25.10, Repayment.~~

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FAILURE TO REPORT INCOME / RESOURCES      SECTION 0112

Prosecution      0112.25.05

REV:06/1990

It is the responsibility of the Chief Field Investigator to investigate cases of alleged fraud and where appropriate to present them to the Attorney General's Office for criminal prosecution. The Special Assistant Attorney General shall determine whether or not sufficient evidence exists for court presentation. If not, s/he shall advise the Chief Field Investigator, in writing, of why prosecution is not appropriate, and what additional evidence is needed.

If it is determined that criminal charges are not appropriate, a decision is made as to whether or not a civil action should be initiated.

When a case is not referred for criminal charges of felony, the Chief Field Investigator advises the recipient of the evidence against him/her and arrives at a solution which may result in:

- \* A civil action being taken to Court;
- \* A settlement being reached through a repayment agreement;
- \* A warning and reprimand being issued, when the age or mental competency of the recipient renders this the only practical solution; or
- \* A decision that no action be taken and the reasons why.

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~~SECTION 0112 FAILURE TO REPORT INCOME / RESOURCES~~

~~0112.25.10 Repayment~~

~~REV:06/1990~~

~~If a decision to repay is made, the Chief Field Investigator and the recipient complete and sign five copies of the AP-68, Repayment Agreement. The copies are distributed as follows:~~

~~The original AP-68 is retained in the FIPU case record;~~

~~The pink copy is sent to the Collections, Claims and Recoveries Unit;~~

~~The green copy is retained by the person;~~

~~The blue copy is sent to the correct District Office and retained in the eligibility case record; and,~~

~~The yellow copy is retained in the AP-68 book.~~

~~When monies are received, the Collection, Claims and Recoveries Unit sends a receipt (AP-68.1) to the person specifying the balance remaining or indicating that the payment is "Paid in Full" when repayment is completed. Copies of the AP-68.1 are also sent to the appropriate field office for filing in the case record.~~